

More Information about the Independent Price Opinion
Steve Lederer, SRA

The Independent Price Opinion is a custom report, researched and written for each property. The format was developed by Steve Lederer for local Realtors.

The purpose of the price opinion is to find the optimal list price for the property. The optimal list price is the list price that will result in the highest possible sale price within a normal marketing time.

The Scope of Work for the price opinion is similar, in many regards, to an appraisal. Steve will conduct a thorough walk-through inspection of the house and a visual inspection of the yard area around the house, from the prospective of a potential buyer, looking for positive features and potential issues that impact market appeal.

Armed with a customized spreadsheet of MLS data, he then conducts drive-by inspections of homes in the community that are currently listed for sale. He also visits competitive properties that are pending sales or closed sales.

Back in the office he conducts a survey of current and recent market conditions, compiling data on absorption rates and inventory in the area.

The written report lists the salient features of the property from a buyer's point of view. There's no sugar coating. Negative features and positive features are emphasized.

Specific properties, (i.e. active listings, pending sales and closed sales) are listed and described in the report. The data is reconciled and an optimal list price is provided.

The report is usually 8 to 10 pages long and is provided in an easy-to-read narrative format. The report is delivered to the client by e-mail.

The report does not include a building sketch or plat maps or photos. Steve will use the square footage that is in the public records. Other sources for square footage are builder's plans or blueprints. If there is a dispute about the size of the house you can arrange to have Steve measure the living area.

The Independent Price Opinion is not an appraisal. Appraisals are opinions of value that are static, tied to the date of the inspection in most cases. Appraisals look backward in time at market conditions leading up to the inspection date. The Independent Price Opinion looks forward in time from a marketing point of view. The price opinion is a candid assessment of the strengths and weaknesses of the property and its prospects as it competes in the current market environment.

The Independent Price Opinion is a fee-based service. The fee can be paid by the Realtor or the homeowner or it can be shared. The cost is comparable to a Fannie Mae appraisal.